

## CD NO.

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SUPPLEMENT TO  
REPORT NO.

THIS IS UNEVALUATED INFORMATION

1. The Contracts Office (Vertragskontor) allocates raw materials and other requirements of private firms, and also distributes their products. The private firm must sign a contract with its customer (Vertragspartner) on Contract Form M.3., and present it to the Contracts Office for approval. The Contracts Office then authorizes the issue of raw materials to the firm. Such contracts may be signed with SAG, VEB, Handelsorganization, Handelszentrale or Konsumgenossenschaft only. In certain cases a general licence (Rahmenauftrag) is approved, which the Contracts Office signs as customer. The private firm may sell goods to whom it wishes, but must report the completion of the contract.
2. This procedure is intended to prevent undesirable production and to force any undesirable firm out of business by refusing to authorize the allotment of sufficient raw materials.
3. The Contracts Office receives from the Planning Commission a production plan for the firms under its control. The production authorized in this plan may not be exceeded.
4. It is expected that a new regulation will be published under which raw materials may be granted only through cooperatives, which will force all private firms to join one of the cooperatives.
5. The 1951 Production Plan estimates the following production by privately-owned concerns in East Berlin:

<u>Type of Production</u>	<u>Gross Production</u>	<u>Net Production (available for sale)</u>
<u>Metallurgy</u>	<u>150,000 DM</u>	<u>60,000 DM</u>
Rolled products of lead	150,000 DM	60,000 DM
<u>Mechanical Engineering</u>	<u>73,948,000 DM</u>	<u>74,447,000 DM</u>
Heavy and light machinery	40,459,000 "	35,602,000 "
Vehicles (land and water)	12,806,000 "	12,789,000 "
Castings and forgings	3,205,000 "	3,573,000 "
Iron and metal goods	22,478,000 "	22,478,000 "

**CLASSIFICATION**

**CONFIDENTIAL**

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CENTRAL INTELLIGENCE AGENCY

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Type of Production:	Gross Production	Net Production (available for sale)
Electrical engineering	21,583,000 DM	22,110,000 DM
Precision mechanics, optical equipment	14,105,000 "	14,041,000 "
Chemicals	76,244,000 "	78,247,000 "
Basic chemicals	38,079,000 "	42,387,000 "
Pharmaceuticals	9,298,000 "	9,330,000 "
Rubber, asbestos	23,654,000 "	26,226,000 "
Industrial lubricating oil and grease	213,000 "	304,000 "
<u>Miscellaneous</u>		
Building materials for "PB"	6,874,000 "	9,835,000 "
Building materials for "HB"	470,000 "	490,000 "
Woodwork for "PB"	21,438,000 "	23,496,000 "
Woodwork for "HB"	4,450,000 "	4,450,000 "
Textiles for "PB"	3,626,000 "	3,191,000 "
Light manufactures for "PB"	111,505,000 "	112,409,000 "
Light manufactures for "HB"	7,152,000 "	7,094,000 "
Cellulose, paper for "PB"	12,445,000 "	13,583,000 "
Cellulose, paper for "HB"	428,000 "	428,000 "
Printing manufactures for "PB"	29,395,000 "	29,395,000 "
Food Manufactures	76,809,000 "	102,285,000 "

\*   Comment: The meaning of "PB" and "HB" is unknown.

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